



# News

State of Delaware  
Department of Finance  
Division of Revenue  
[www.revenue.delaware.gov](http://www.revenue.delaware.gov)

FOR IMMEDIATE RELEASE

## INCREASE IN DELAWARE CIGARETTE TAX EFFECTIVE AUGUST 1st

Statewide – July 31, 2007 – Effective after midnight July 31, 2007, Delaware cigarette tax increases sixty (60) cents per package of 20 cigarettes and seventy-five (75) cents per package of 25 cigarettes. This means consumers will now pay \$1.15 in tax on 20 packs and \$1.44 in tax on 25 packs purchased in Delaware.

“Delaware is one of a number of states to increase cigarette taxes recently,” says Division of Revenue Director Patrick Carter. “Even with the latest rise in cigarette tax, though, consumers in Delaware will still pay less for cigarettes here than they do in some of our neighboring states.”

Pennsylvania currently levies a \$1.35 tax on cigarettes, while New Jersey customers pay \$2.75 per pack. Maryland and Virginia cigarette taxes are lower at \$1 per pack and 30 cents per pack, respectively.

Delaware’s cigarette tax increase follows the passage of House Bill 249 of the 144<sup>th</sup> General Assembly, which was signed by Governor Ruth Ann Minner on June 30, 2007.

### For retailers and wholesalers

House Bill 249 imposes a tax increase on cigarettes effective after midnight July 31, 2007. It also imposes a floor tax on all remaining cigarette inventories and unaffixed cigarette tax stamps in the possession of wholesalers and affixing agents after midnight July 31, 2007.

The floor tax requires affixing agents and wholesalers to pay the difference between the new tax rate and the old tax rate on any remaining stamped cigarette inventories, as well as cigarette tax stamps purchased on or before July 31, 2007 but not affixed to any cigarettes as of midnight July 31, 2007. The floor tax does not apply to retailers unless they are also wholesalers and/or affixing agents.

To remit Delaware’s cigarette floor tax, please use Division of Revenue Form 1074M and 1075M. During the month of August 2007, representatives from the Division of Revenue will be conducting field audits to verify the accuracy of the information reported on Forms 1074M and 1075M.

If you have any further questions concerning your responsibilities and obligations as a cigarette retailer or wholesaler, please contact Ray Benton at [Raymond.benton@state.de.us](mailto:Raymond.benton@state.de.us) or (302) 577-8268.

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